U1245-3-P

SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

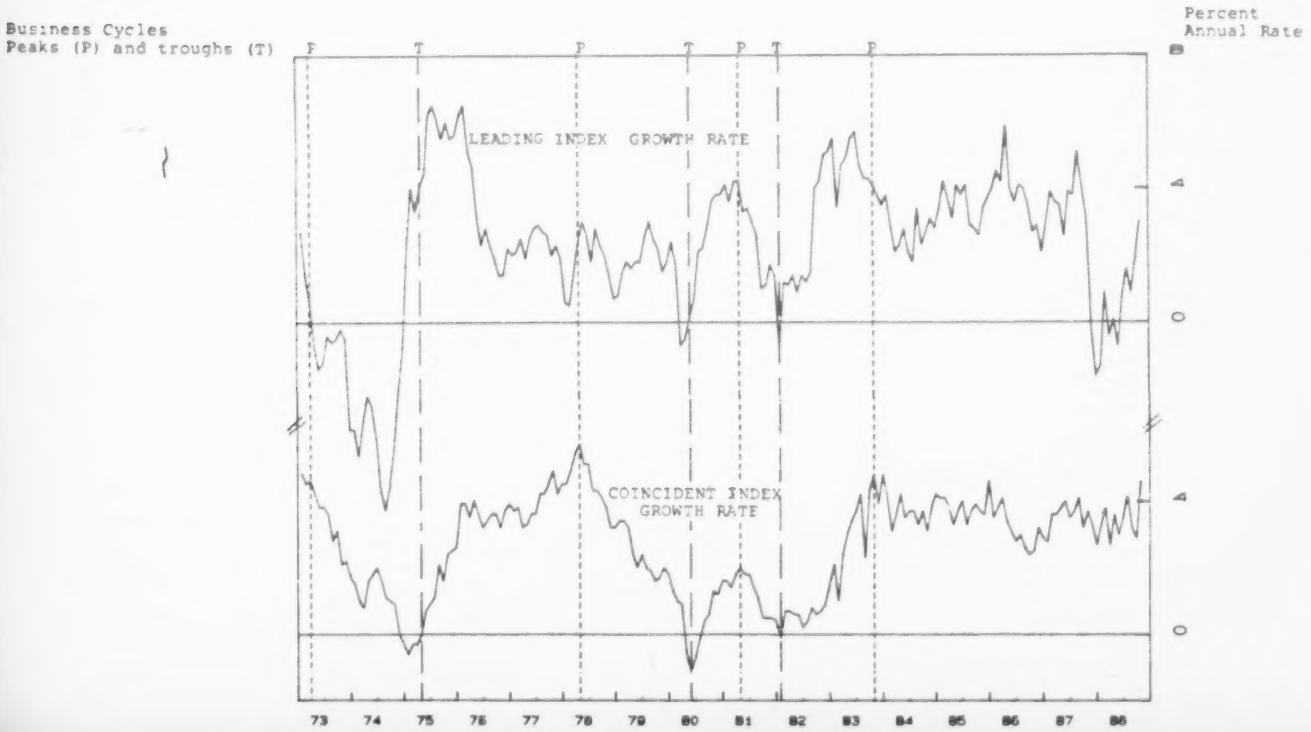
November 1988

SERVICES GROWTH CONTINUES

The leading index of service sector activity grew at an annual rate of 3.0% in October up from 1.9% in September. Considering the components, the services stock price index displayed good growth (marginally better than that for the overall S&P 500), the average workweek worked in service industries was also up, while contracts for commercial building construction were down. Although unavailable for October, profitability in service industries in September was marginally improved from August.

Personal consumption of services, labor income earned, and total employee hours worked in service industries all turned in strong performances in October. As a result the coincident index for overall service sector economic activity grew at a smoothed annual rate of 4.6%, up from the rather subdued rate of 2.9% in September. This provides some support for the view that the current pace of economic activity may be somewhat faster than that indicated in the revised 3rd quarter GNP result of 2.6%.

Given the recent upswing in the leading index, which has been found to anticipate future services activity by between 6 and 12 months, and the continuing solid performance in the coincident index, service sector economic growth can be expected to remain reasonably firm in the months ahead.



LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1987:						
Jan.	147.3	3.0	32.80	829	93.5	113.3
Feb.	148.4	3.9	32.99	756	97.5	113.5
March	148.6	3.6	32.92	799	100.0	113.2
April	148.9	3.5	32.95	827	95.0	113.9
May	148.5	2.6	32.99	743	93.6	112.8
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July	150.3	3.8	32.93	857	101.1	114.5
Aug.	151.7	5.1	33.06	851	107.7	114.9
Sept.	151.4	4.1	33.00	884	103.4	114.8
Oct.	151.1	3.1	32.97	813	92.1	117.1
Nov.	148.9	-0.2	32.96	779	81.8	112.7
Dec.	148.0	-1.6	32.68	890	79.2	111.6
1988:						
Jan.	148.4	-1.3	32.88	716	82.3	110.7
Feb.	150.2	0.9	32.94	948	86.0	111.6
Mar.	149.3	-0.4	32.70	771	87.5	111.9
Apr.	149.8	0.1	33.01	718	85.3	110.2
May	149.2	-0.7	32.80	716	83.0	110.6
June	150.5	0.8	32.82	782	89.2	111.1
July	151.2r	1.6r	33.04	771	88.7	110.4r
Aug.	150.7	0.9	32.72r	820	87.9	111.3r
Sept.	151.4r	1.9r	32.81r	771	91.0	111.5
Oct.	152.3	3.0	32.95	663	94.3	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1987:						
Jan.	173.1	2.8	1769.9	1213.5	635.935	102.269
Feb.	174.2	3.6	1778.2	1222.1	640.043	103.100
March	174.7	3.6	1784.5	1230.3	640.428	103.256
April	175.3	3.8	1790.9	1232.1	642.172	103.776
May	175.9	4.0	1797.2	1236.3	644.708	104.084
June	176.0	3.5	1800.3	1238.1	643.458	104.339
July	176.7	3.7	1803.5	1245.7	646.298	104.771
Aug.	177.6	4.1	1806.6	1250.7	652.241	105.332
Sept.	177.3	3.2	1811.8	1244.5	649.286	105.391
Oct.	178.3	3.7	1817.1	1256.6	654.064	105.786
Nov.	178.5	3.3	1822.3	1250.2	656.031	106.077
Dec.	178.4	2.7	1826.0	1254.1	653.886	105.794
1988:						
Jan.	179.5	3.3	1829.7	1260.7	660.884	106.641
Feb.	180.5	3.8	1833.4	1268.2	663.790	107.636
Mar.	180.0	2.7	1837.6	1269.0	659.442	107.032
Apr.	181.3	3.6	1841.9	1269.4	669.368	108.109
May	181.2	3.0	1846.1	1272.0	668.072	107.786
June	182.1	3.5	1850.8r	1283.1	668.889	108.546
July	183.3	4.2	1855.6r	1286.0r	676.839	109.713
Aug.	182.9r	3.2r	1860.3r	1293.0r	671.183	108.916r
Sept	183.1r	2.9r	---	1289.5r	673.099r	109.226r
Oct.	185.2	4.6	---	1301.5	683.879	110.245

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources:
3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. This series is constructed by CIBCR using the deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977=100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.

Center for International Business Cycle Research (CIBCR)

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1/6/89

SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

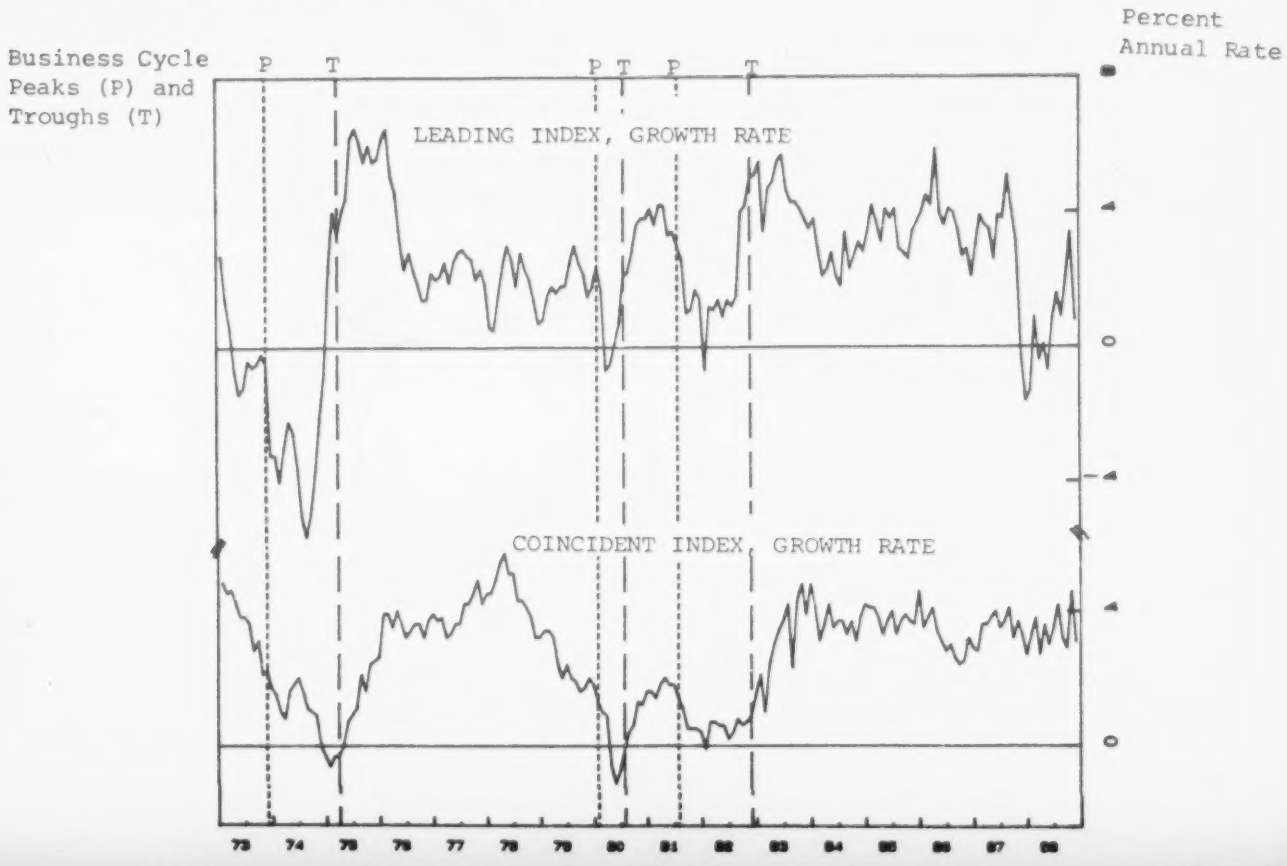
December 1988

SERVICES GROWTH SLOWS

The leading index of service sector activity grew at an annual rate of 0.8% in November, down sharply from a revised 3.4% in October. The weakness in the index stems from a drop in the average workweek and in stock prices for services. Figures for contracts for commercial building construction and profitability in service industries were unavailable for November.

Personal consumption of services, labor income earned, and total employee hours worked in service industries were all down in November. The smoothed annual growth rate in the coincident index for service sector economic activity fell to 3.1% in November, down from 4.6% in October. In other words, growth in service sector economic activity continues much as in recent months, at a slightly moderated pace.

The sharp drop in growth of the leading index, which usually anticipates future services activity by 6 to 12 months, unless reversed soon, portends slower growth in the service sector in the months ahead.



LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1987:						
Feb.	148.4	3.9	32.99	756	97.5	113.5
March	148.6	3.6	32.92	799	100.0	113.2
April	148.9	3.5	32.95	827	95.0	113.9
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Nov.	148.9	-0.2	32.96	779	81.8	112.7
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Mar.	149.3	-0.4	32.70	771	87.5	111.9
Apr.	149.8	0.1	33.01	718	85.3	110.2
May	149.2	-0.7	32.80	716	83.0	110.6
June	150.5	0.8	32.82	782	89.2	111.1
July	151.2	1.6	33.04	771	88.7	110.4
Aug.	150.7	0.9	32.72	820	87.9	111.3
Sept.	151.5r	2.0r	32.82r	771	91.0	111.5
Oct.	152.6r	3.4r	33.03r	663	94.3	---
Nov.	150.7	0.8	32.78	---	91.7	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
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Nov.	178.5	3.3	1822.3	1250.2	656.031	106.077
Dec.	178.4	2.7	1826.0	1254.1	653.886	105.794
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Feb.	180.5	3.8	1833.4	1268.2	663.790	107.636
Mar.	180.0	2.7	1837.6	1269.0	659.442	107.032
Apr.	181.3	3.6	1841.9	1269.4	669.368	108.109
May	181.2	3.0	1846.1	1272.0	668.072	107.786
June	182.1	3.5	1850.8	1283.1	668.889	108.546
July	183.3	4.2	1855.6	1285.9r	676.839	109.713
Aug.	182.9	3.2	1860.3	1292.3r	671.184r	108.916
Sept.	183.1	2.9	---	1288.5r	673.892r	109.243r
Oct.	185.2	4.6	---	1301.2r	683.351r	110.325r
Nov.	184.4	3.1	---	1299.9	677.514	109.978

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources:
3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
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Center for International Business Cycle Research (CIBCR)

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SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
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Dr. Geoffrey H. Moore, Director

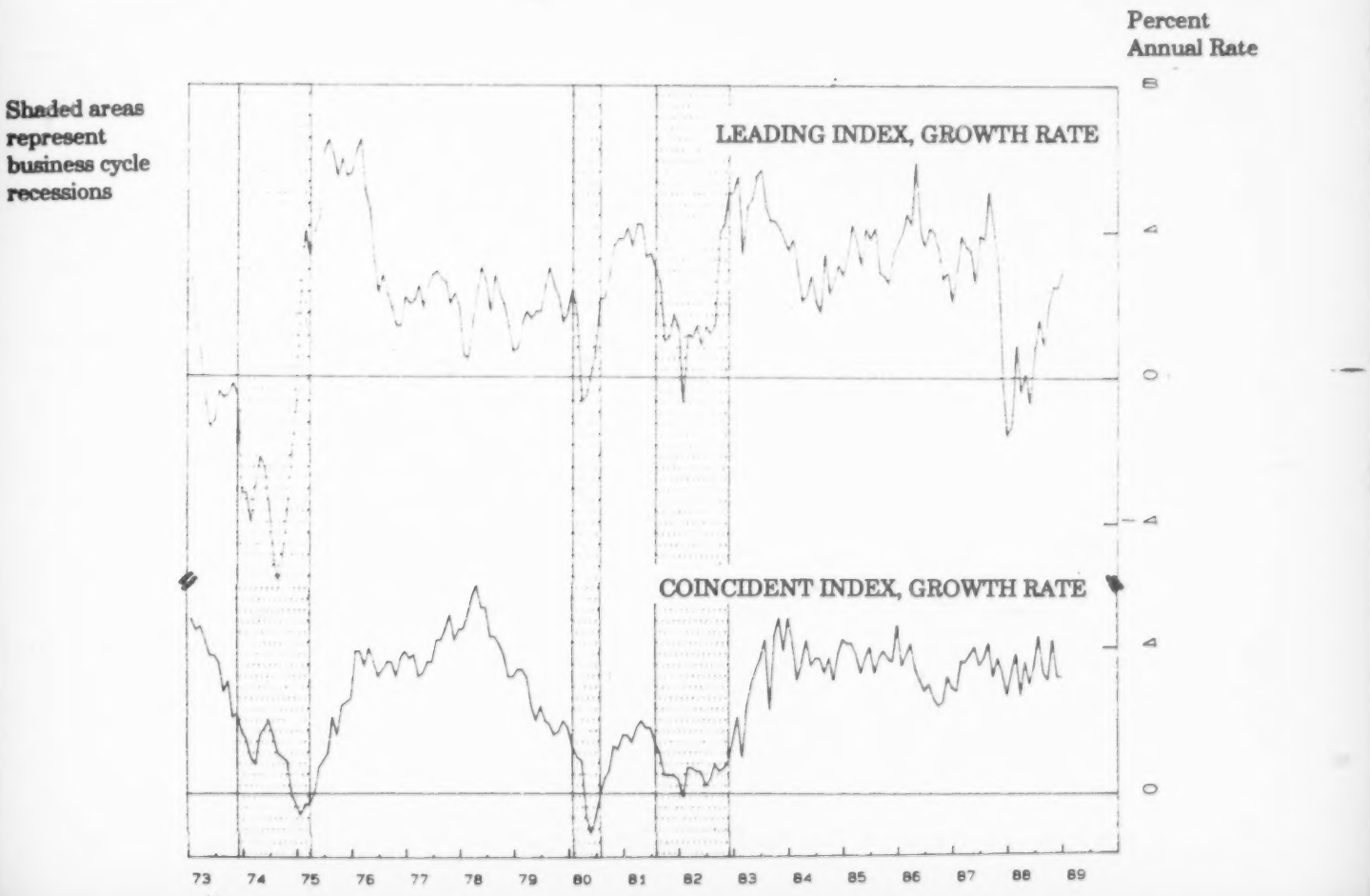
January 1989

SERVICES GROWTH STEADY

The leading index of service sector activity grew at an annual rate of 2.9% in December, up from a revised 2.5% in November. The firmness in the index reflects a recovery in stock prices for services, coupled with small rises in the average workweek and in contracts for commercial building construction.

The coincident index of service sector activity grew at an annual rate of 3.2% in December, unchanged from November. The stability in the coincident index stems from steadiness in personal consumption expenditures, labor income earned and employee hours worked in service industries, all of which were up just slightly in December.

The steady growth in the leading index, which usually anticipates upswings and downswings in service activity by 6 to 12 months, is a healthy sign for the economy as a whole.



LEADING INDEX OF SERVICES, AND COMPONENTS

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Aug.	150.7	0.9	32.72	820	87.9	111.5r
Sept.	151.5	2.0	32.82	771	91.0	111.5
Oct.	151.9r	2.5r	33.01r	663	94.3	110.0
Nov.	152.0r	2.5r	32.82r	763	91.7	111.5P
Dec.	152.6	2.9	32.84	773	92.9	—

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
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June	182.1	3.5	1851.7r	1283.1	668.889	108.546
July	183.4r	4.3r	1857.2r	1285.9	676.839	109.713
Aug.	183.0r	3.3r	1862.8r	1292.3	671.184	108.916
Sept.	183.3r	3.1r	1867.4	1288.5	673.892	109.243
Oct.	184.9r	4.2r	1872.1	1300.5r	683.879r	110.347r
Nov.	184.5r	3.2r	1876.7	1298.3r	677.251r	110.320r
Dec.	185.0	3.2	—	1303.3	679.083	110.506

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised. P = preliminary.

Sources:
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Center for International Business Cycle Research (CIBCR)

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3/14/89

SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

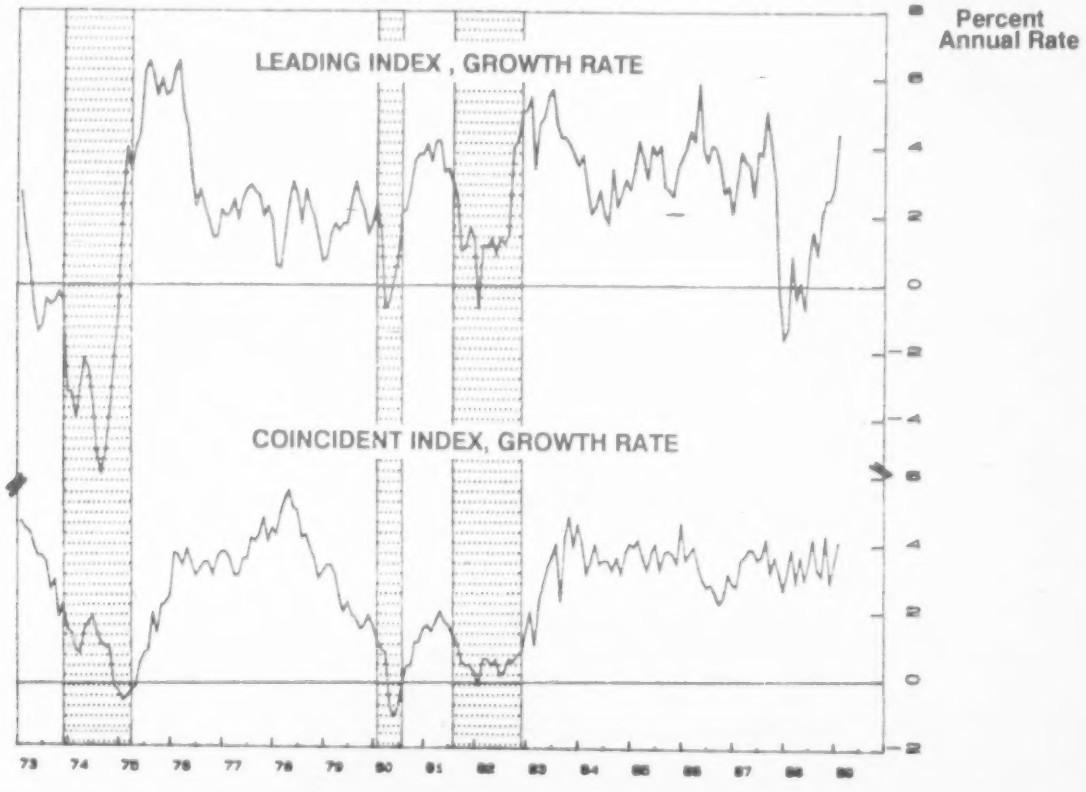
February 1989

BRIGHT OUTLOOK FOR SERVICES GROWTH

The leading index of service sector activity grew at an annual rate of 4.4% in Janu[illegible] up from 2.9% in December; this was its fastest pace of growth in 16 months. The growing strength in the index reflects surging stock prices for services, as well as increases in the average workweek and in contracts for commercial building construction.

The coincident index of service sector activity grew at an annual rate of 1.1% in January, up from 3.5% in December, continuing the steady growth it has shown in the current business cycle expansion. The growth in this index stems from rises in labor income earned and employee hours worked in service industries, which were offset only slightly by a drop in personal consumption expenditures for services.

The continuing growth in the leading index, which usually anticipates upswings and downswings in service activity by 6 to 12 months, augurs well for the health of the economy as a whole.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

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Sept.	151.5	2.0	32.82	771	91.0	111.5
Oct.	151.9	2.5	33.01	663	94.3	110.0
Nov.	152.0	2.5	32.81r	763	91.7	111.5P
Dec.	152.6	2.9	32.85r	773	92.9	---
1989:						
Jan.	154.2	4.4	33.06	795	95.2	---

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil.; ann. rate)
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Dec.	178.5r	2.7	1826.0	1254.1	654.340r	105.794
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Jan.	179.5	3.3	1829.7	1260.7	658.481r	106.641
Feb.	180.6r	3.9r	1833.4	1268.2	653.334r	107.636
Mar.	180.2r	2.9r	1837.6	1269.0	659.481r	107.032
Apr.	181.4r	3.7r	1841.9	1269.4	669.509r	108.109
May	181.3r	3.0	1846.1	1272.0	666.941r	107.786
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July	183.4	4.2r	1857.2	1285.9	675.110r	109.713
Aug.	183.1r	3.3	1862.8	1292.3	671.372r	108.916
Sept.	183.4r	3.1	1867.0r	1288.5	673.805r	109.243
Oct.	185.0r	4.3r	1871.2r	1303.9r	682.201r	110.347
Nov.	184.3r	2.9r	1875.4r	1296.6r	676.861r	109.992r
Dec.	185.3r	3.5r	---	1300.2r	682.065r	110.639r
1989:						
Jan.	186.5	4.1	---	1298.5	689.369	111.831

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised. P = preliminary.

Cols. 7, 8 and 11 are revised because of a new seasonal adjustment for Services Labor Income.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.

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SERVICE SECTOR INDICATORS

C I B C R

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

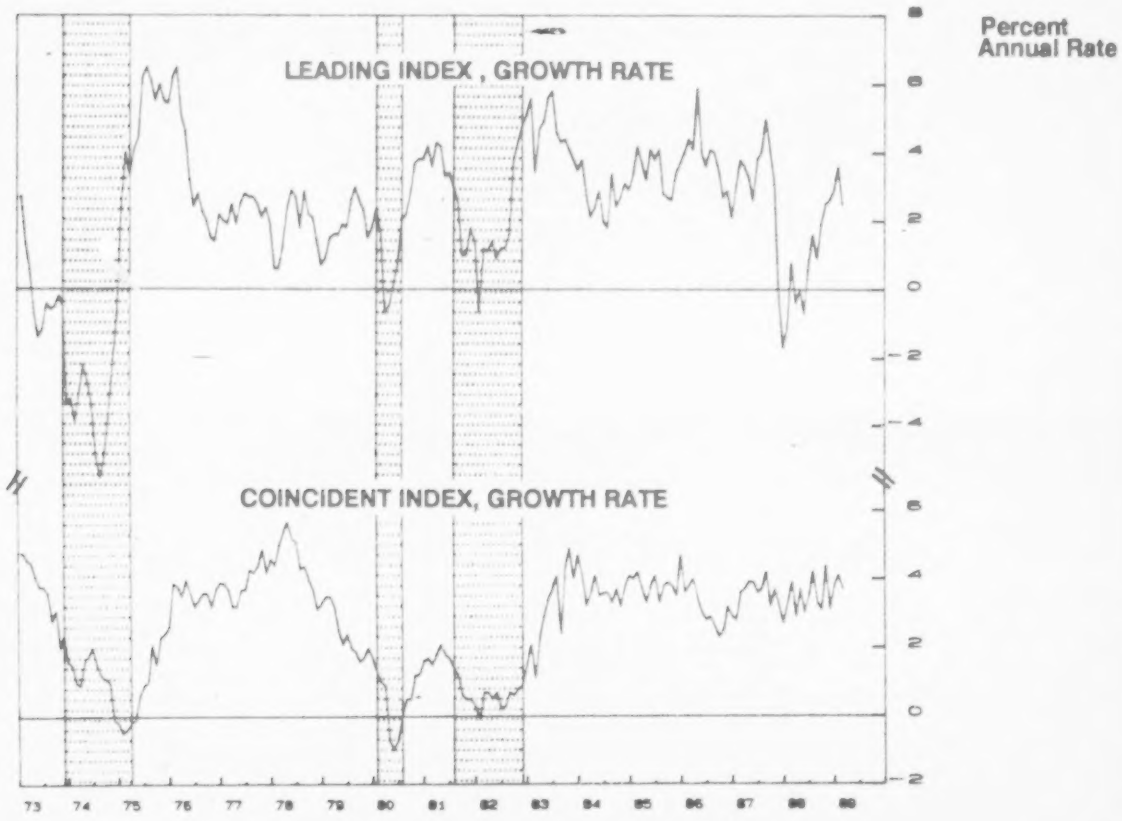
March 1989

STEADY GROWTH FORESEEN FOR SERVICES

The leading index of service sector activity grew at an annual rate of 2.5% in February, continuing the steady growth seen in the few months before January's high point of 3.6%. The index was pulled down slightly by a drop in commercial contracts, which was largely offset by increases in stock prices for services and in the profit margin index. The average workweek for services stayed virtually unchanged.

The coincident index of service sector activity grew at an annual rate of 3.7% for February, down slightly from January's 4.1%. The growth in the index reflects higher personal consumption expenditures for services, offset in part by lower labor income and a slight drop in employee hours in service industries.

All in all, the service sector seems to continue its steady, if unspectacular, growth.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	148.5	-1.1	32.88	716	82.3	111.0
Feb.	150.1	0.8	32.94	948	86.0	111.5
Mar.	149.3	-0.4	32.70	771	87.5	111.8
Apr.	149.7	0.0	33.01	718	85.3	110.2
May	149.2	-0.7	32.80	716	83.0	110.7
June	150.4	0.7	32.82	782	89.2	111.0
July	151.2	1.6	33.04	771	88.7	110.6
Aug.	150.7	0.9	32.72	820	87.9	111.4
Sept.	151.4	1.9	32.82	771	91.0	111.4
Oct.	151.9	2.5	33.01	663	94.3	110.2
Nov.	152.0	2.6	32.81	763	91.7	111.7
Dec.	152.5	2.9	32.89r	773	92.9	111.1
1989:						
Jan.	153.5	3.6	33.05r	790r	95.2	110.7
Feb.	153.0	2.5	32.82	675	98.7	111.3

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	179.5	3.3	1829.7	1260.7	658.481	106.641
Feb.	180.6	3.9	1833.4	1268.2	663.334	107.636
Mar.	180.2	2.9	1837.6	1269.0	659.481	107.032
Apr.	181.4	3.7	1841.9	1269.4	669.509	108.109
May	181.3	3.0	1846.1	1272.0	666.941	107.786
June	182.2	3.5	1851.7	1283.1	668.851	108.546
July	183.4	4.2	1857.2	1285.9	675.110	109.713
Aug.	183.1	3.3	1862.8	1292.3	671.372	108.916
Sept.	183.4	3.1	1868.3r	1288.5	673.805	109.243
Oct.	185.1r	4.4r	1873.7r	1304.2r	682.201	110.347
Nov.	184.5r	3.1r	1879.2r	1300.0r	676.861	109.992
Dec.	185.6r	3.8r	---	1302.6r	682.845r	110.785r
1989:						
Jan.	186.5	4.1	---	1302.1r	687.241r	111.693r
Feb.	186.7	3.7	---	1313.7	683.905	111.566

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
r = revised.
Cols. 1, 2 and 6 are revised because of a new seasonal adjustment for Services Labor Income.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
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9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
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12. Bureau of Labor Statistics, all employees.

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SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

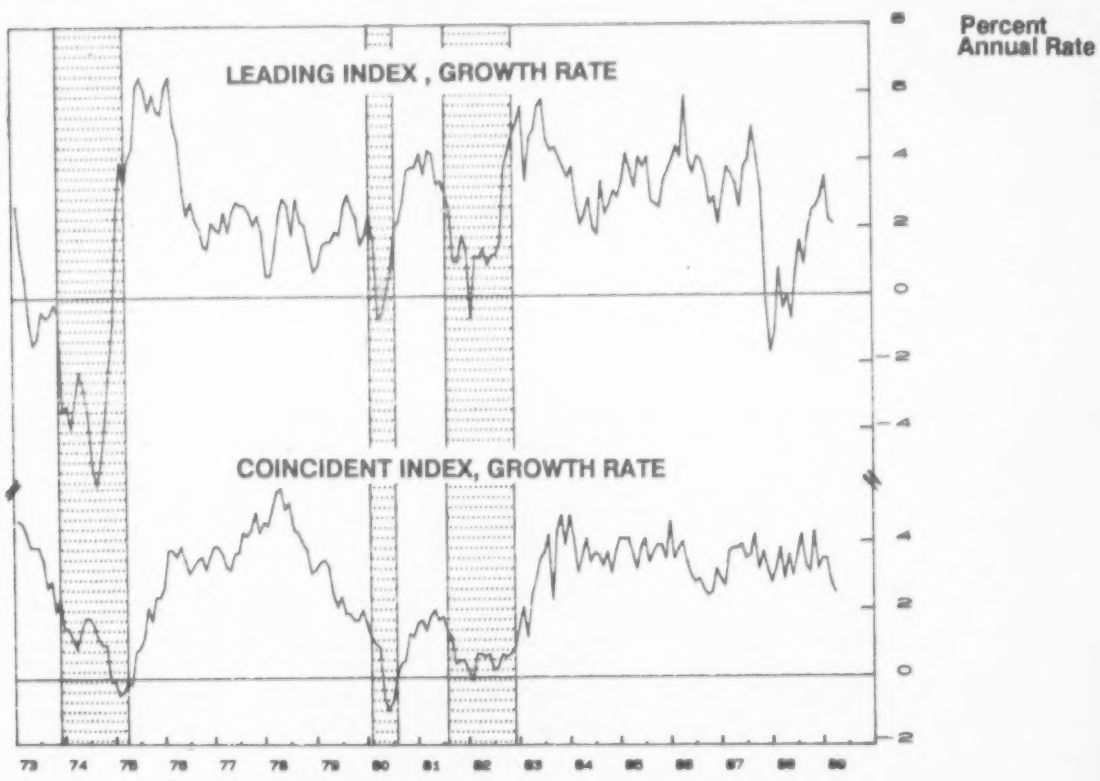
April 1989

SERVICE SECTOR INDEXES HOLDING STEADY

The leading index of service sector activity rose only slightly in March, with growth at an annualized rate of 2.1%. All four components were stable, with construction contracts for commercial buildings showing a modest rise, offset by small drops in the average workweek, stock prices, and profit margins in the service sector.

The coincident index of service sector activity also held a steady course, growing at an annual rate of 2.5% in March. The growth rate was sustained by small rises in personal consumption expenditures, labor income, and employee hours in the service sector.

Taken together, these signs hold out a promise of slow and steady growth in the service sector in the months ahead.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	148.5	-1.1	32.88	716	82.3	111.0
Feb.	150.1	0.8	32.94	948	86.0	111.5
Mar.	149.3	-0.4	32.70	771	87.5	111.8
Apr.	149.7	0.0	33.01	718	85.3	110.2
May	149.2	-0.7	32.80	716	83.0	110.7
June	150.4	0.7	32.82	782	89.2	111.0
July	151.2	1.6	33.04	771	88.7	110.6
Aug.	150.7	0.9	32.72	820	87.9	111.4
Sept.	151.4	1.9	32.82	771	91.0	111.4
Oct.	151.9	2.5	33.01	663	94.3	110.2
Nov.	152.0	2.6	32.81	763	91.7	111.7
Dec.	152.5	2.9	32.89	773	92.9	111.0r
1989:						
Jan.	153.4r	3.5r	33.01r	795r	95.2	110.8r
Feb.	152.8r	2.2r	32.73r	671r	98.7	111.5r
Mar.	152.9	2.1	32.67	703	98.5	111.4

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	179.5	3.2r	1829.7	1260.7	658.5	106.6
Feb.	180.6	3.8r	1833.4	1268.2	663.3	107.6
Mar.	180.2	2.9	1837.6	1269.0	659.5	107.0
Apr.	181.4	3.6r	1841.9	1269.4	669.5	108.1
May	181.3	3.0	1846.1	1272.0	666.9	107.8
June	182.2	3.6r	1851.7	1283.1	668.9	108.5
July	183.4	4.2	1857.2	1285.9	675.1	109.7
Aug.	183.1	3.3	1862.8	1292.3	671.4	108.9
Sept.	183.4	3.1	1868.3	1288.5	673.8	109.2
Oct.	185.1	4.3r	1873.7	1304.2	682.2	110.3
Nov.	184.6r	3.2r	1879.2	1300.0	676.9	110.0
Dec.	185.4r	3.5r	1880.4	1302.6	682.8	110.8
1989:						
Jan.	186.0r	3.5r	1881.5	1303.1r	686.4r	111.5r
Feb.	185.8r	2.8r	1882.7	1313.0r	681.0r	111.1r
Mar.	186.0	2.5	---	1313.5	682.8	111.2

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
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12. Bureau of Labor Statistics, all employees.

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SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

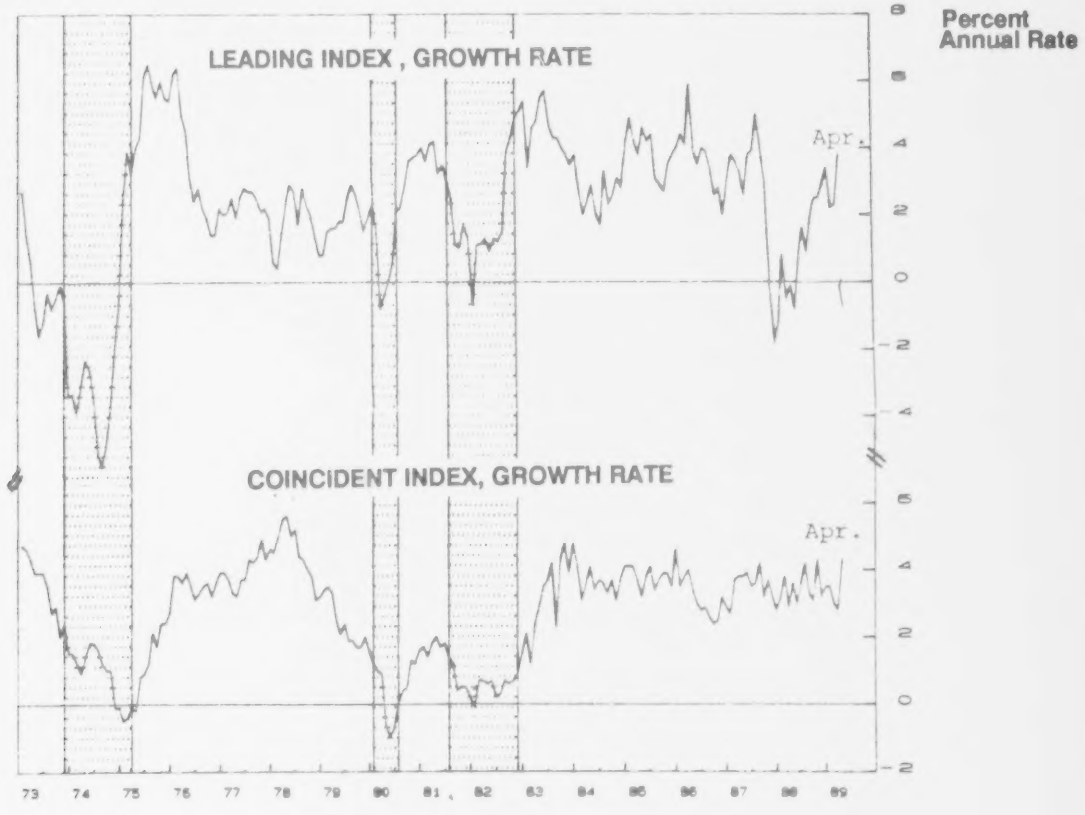
May 1989

SERVICE SECTOR INDEXES BUOYANT

The leading index of service sector activity rose again in April, while its annualized growth rate climbed to 3.8%. It was pushed up by soaring stock prices and a rise in the average workweek in the service sector, undermined only a bit by drops in profit margins in services and in construction contracts for commercial buildings.

The coincident index of service sector activity rose as well, with growth at an annualized rate of 4.3% in April. This was a result of rises in labor income, employee hours, and personal consumption expenditures in the service sector.

The indicators therefore point towards sustained growth in the service sector in the coming months.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	147.9r	-1.2r	32.88	716	82.3	113.0r
Feb.	149.6r	0.8	32.94	948	86.0	113.6r
Mar.	148.7r	-0.5r	32.70	771	87.5	113.9r
Apr.	149.1r	-0.1r	33.01	718	85.3	112.2r
May	148.6r	-0.8	32.80	716	83.0	112.6r
June	149.8r	0.7	32.82	782	89.2	113.1r
July	150.6r	1.6	33.04	771	88.7	112.6r
Aug.	150.1r	0.9	32.72	820	87.9	113.5r
Sept.	150.8r	1.9	32.82	771	91.0	113.4r
Oct.	151.3r	2.5	33.01	663	94.3	112.2r
Nov.	151.4r	2.5r	32.81	763	91.7	113.7r
Dec.	151.9r	2.9	32.89	773	92.9	113.1r
1989:						
Jan.	152.7r	3.4r	33.01	795	95.2	112.7r
Feb.	152.2r	2.2	32.75r	695r	98.7	113.3r
Mar.	152.5r	2.3r	32.77r	710r	98.5	113.2r
Apr.	154.0	3.8	33.13	668	102.5	112.6

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	179.5	3.2	1829.7	1260.7	658.5	106.6
Feb.	180.6	3.8	1833.4	1268.2	663.3	107.6
Mar.	180.2	2.9	1837.6	1269.0	659.5	107.0
Apr.	181.4	3.6	1841.9	1269.4	669.5	108.1
May	181.3	3.0	1846.1	1272.0	666.9	107.8
June	182.3r	3.6	1851.7	1283.1	668.9	108.5
July	183.4	4.2	1857.2	1285.9	675.1	109.7
Aug.	183.1	3.3	1862.8	1292.3	671.4	108.9
Sept.	183.4	3.1	1868.3	1288.5	673.8	109.2
Oct.	185.1	4.3	1873.7	1304.2	682.2	110.3
Nov.	184.6	3.2	1879.2	1300.0	676.9	110.0
Dec.	185.4	3.5	1881.3r	1302.6	682.8	110.8
1989:						
Jan.	186.0	3.5	1883.4r	1303.0r	686.4	111.5
Feb.	186.0r	3.0r	1885.5r	1313.7r	682.1r	111.2r
Mar.	186.3r	2.8r	---	1314.1r	683.3r	111.5r
Apr.	188.3	4.3	---	1319.0r	694.0	112.9

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
Cols. 1, 2 and 6 are revised because of revisions in the experimental services output index.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
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12. Bureau of Labor Statistics, all employees.

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SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
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Dr. Geoffrey H. Moore, Director

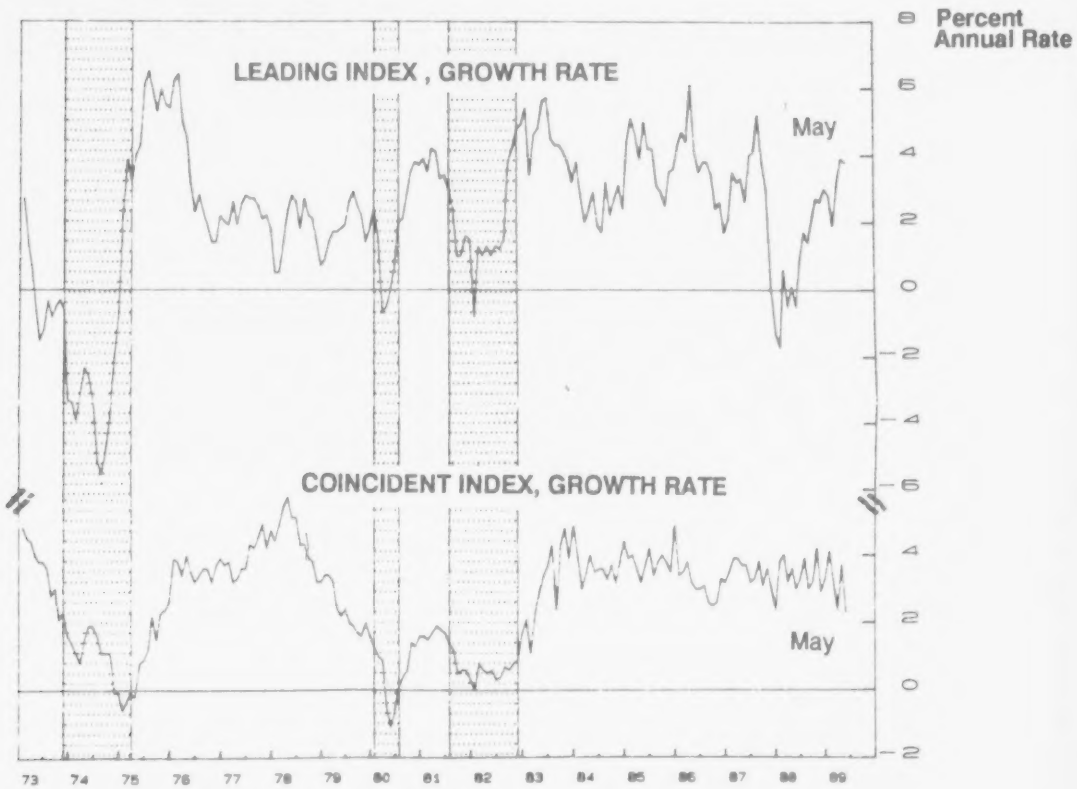
June 1989

OPTIMISTIC OUTLOOK FOR SERVICES

The leading index of service sector activity rose again in May, but at a slightly slower annualized growth rate of 3.8%. It was pushed up by a rise in construction contracts for commercial buildings, and higher stock prices and profit margins in services, which were offset by a small drop in the average workweek in the service sector.

The coincident index of service sector activity fell back a little, while its annualized growth rate dropped to a moderate 2.3% in May. It was pulled down by decreases in employee hours and labor income in services, which were offset by a rise in personal consumption expenditures in the service sector.

On balance, the service sector appears set for continued steady growth.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	147.2r	-1.7r	32.84r	739r	82.3	111.5r
Feb.	149.2r	0.6r	32.98r	907r	86.0	113.1r
Mar.	148.4r	-0.5	32.69r	825r	87.5	113.0r
Apr.	149.0r	0.1r	32.93r	805r	85.3	112.4r
May	148.6	-0.5r	32.78r	812r	83.0	112.6
June	149.8	0.9r	32.82	810r	89.2	113.4r
July	150.5r	1.7r	33.00r	829r	88.7	113.1r
Aug.	150.3r	1.4r	32.76r	852r	87.9	114.2r
Sept.	150.8	2.1r	32.88r	796r	91.0	113.4
Oct.	151.3	2.7r	32.96r	764r	94.3	112.5r
Nov.	151.3r	2.6r	32.77r	786r	91.7	114.4r
Dec.	151.9	3.0r	32.91r	782r	92.9	113.8r
1989:						
Jan.	152.1r	2.8r	32.95r	839r	95.2	111.7r
Feb.	151.8r	1.9r	32.75	658r	98.7	113.2r
Mar.	153.0r	3.1r	32.81r	746r	98.5	114.6r
Apr.	154.0	3.9r	33.07r	706r	102.5	113.6r
May	154.4	3.8	32.78	797	108.0	114.8

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	180.0r	3.8r	1829.7	1260.7	667.3r	106.6
Feb.	180.7r	4.0r	1833.4	1268.2	666.2r	107.6
Mar.	180.5r	3.2r	1837.6	1269.0	664.6r	107.0
Apr.	181.3r	3.6	1841.9	1269.4	668.5r	108.1
May	181.2r	3.0	1846.1	1272.0	667.0r	107.8
June	182.0r	3.3r	1851.7	1283.1	667.0r	108.5
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Sept.	183.4	3.2r	1868.3	1288.5	674.2r	109.2
Oct.	184.9r	4.2r	1873.7	1304.2	680.3r	110.3
Nov.	184.2r	2.9r	1879.2	1300.0	672.6r	110.0
Dec.	185.1r	3.3r	1881.6r	1302.6	678.5r	110.8
1989:						
Jan.	186.4r	4.1r	1884.1r	1302.9r	693.2r	111.5
Feb.	186.1r	3.2r	1886.5r	1313.6r	683.7r	111.2
Mar.	185.8r	2.4r	---	1316.8r	679.9r	111.2r
Apr.	187.5r	3.7r	---	1320.4r	688.7r	112.5r
May	186.7	2.3	---	1328.0	681.9	111.5

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
Cols. 1, 2 and 6 are revised because of revisions in the experimental services output index.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
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SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

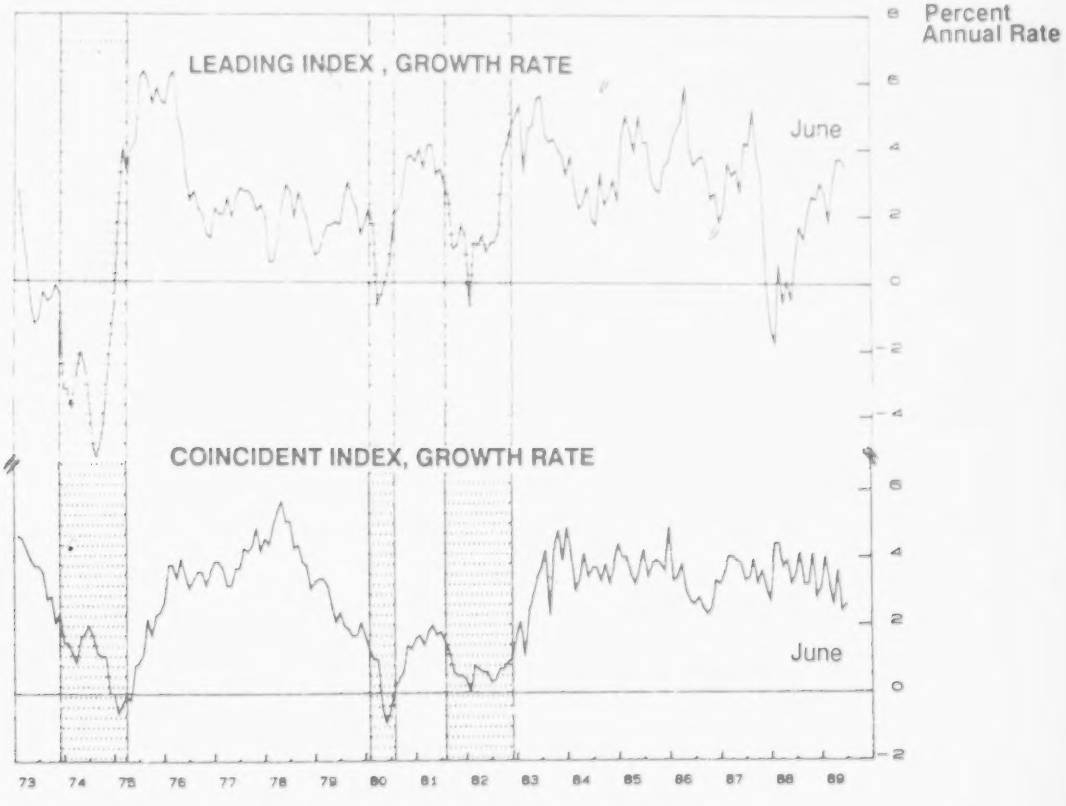
July 1989

STEADY GROWTH AHEAD FOR SERVICES

The leading index of service sector activity rose a bit in June, while its annualized growth rate fell marginally to 3.5%. The index was pushed up by rises in construction contracts for commercial buildings and stock prices for service industries, offset by a slight drop in the index of profit margins in services.

The coincident index of service sector activity also rose, while its annualized growth rate rose to 2.6%. This was a result of rises in labor income and employee hours in services, undermined by a drop in personal consumption expenditures in services.

In sum, the indicators do not suggest an imminent slowdown in service sector growth.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
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1988:						
Jan.	147.7r	-1.8r	32.84	739	82.3	111.5
Feb.	149.7r	0.6	32.98	907	86.0	113.1
Mar.	148.9r	-0.6r	32.69	825	87.5	113.0
Apr.	149.5r	0.1	32.93	805	85.3	112.4
May	149.1r	-0.5	32.78	812	83.0	112.6
June	150.2r	0.8r	32.82	810	89.2	113.4
July	151.0r	1.7	33.00	829	88.7	113.1
Aug.	150.7r	1.3r	32.76	852	87.9	114.2
Sept.	151.3r	2.1	32.88	796	91.0	113.4
Oct.	151.7r	2.6r	32.96	764	94.3	112.5
Nov.	151.7r	2.5r	32.77	786	91.7	114.3r
Dec.	152.4r	3.0	32.91	782	92.9	113.8
1989:						
Jan.	152.5r	2.7r	32.95	839	95.2	111.6r
Feb.	152.2r	1.8r	32.75	658	98.7	113.0r
Mar.	153.4r	3.0r	32.81	746	98.5	114.6
Apr.	154.3r	3.7r	33.07	707r	102.5	113.1r
May	154.7r	3.7r	32.78	797	108.0	114.6r
June	155.0	3.5	32.74	822	111.6	114.1

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	180.9r	4.4r	1844.4r	1263.5r	667.3	106.6
Feb.	181.5r	4.4r	1854.1r	1264.7r	666.2	107.6
Mar.	181.4r	3.7r	1856.9r	1269.5r	664.6	107.0
Apr.	182.1r	3.9r	1859.7r	1269.1r	668.5	108.1
May	182.0r	3.2r	1862.5r	1270.8r	667.0	107.8
June	182.7r	3.5r	1868.6r	1278.6r	667.0	108.5
July	183.9r	4.1r	1874.7r	1283.9r	672.2	109.7
Aug.	183.6r	3.2r	1880.8r	1291.4r	667.4	108.9
Sept.	184.1r	3.2	1886.1r	1285.6r	674.2	109.2
Oct.	185.5r	4.1r	1891.4r	1297.5r	680.3	110.3
Nov.	184.8r	2.8r	1896.7r	1292.6r	672.6	110.0
Dec.	185.7r	3.1r	1899.5r	1295.5r	678.5	110.8
1989:						
Jan.	187.1r	4.0r	1902.3r	1297.1r	693.2	111.5
Feb.	186.9r	3.2	1905.1r	1311.7r	683.7	111.2
Mar.	186.7r	2.6r	1909.6	1311.2r	679.9	111.2
Apr.	188.2r	3.6r	1914.0	1315.8r	690.5r	112.5
May	187.5r	2.4r	1918.5	1321.2r	681.6r	111.5
June	188.2	2.6	---	1318.6	688.8	111.9

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
Cols. 1, 2 and 6 are revised because of revisions in the experimental services output index.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.

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SERVICE SECTOR INDICATORS

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

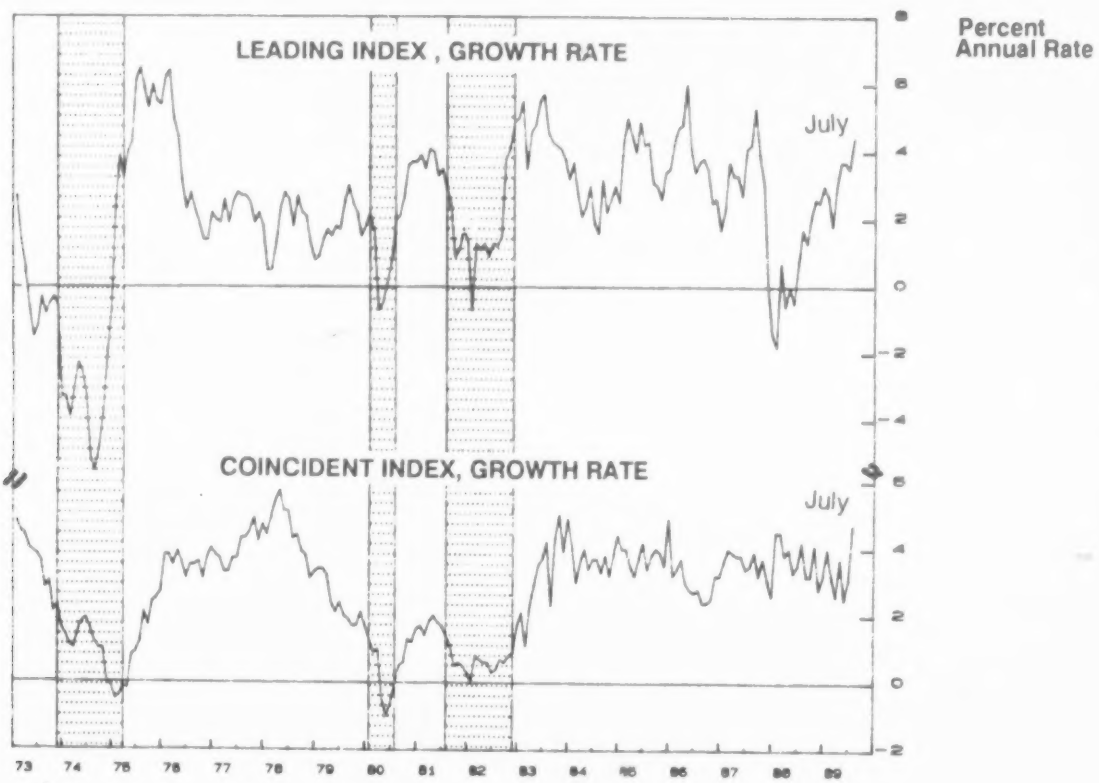
August 1989

SERVICES GROWTH LIKELY TO CONTINUE

The leading index of service sector activity rose again in July, while its annualized growth rate climbed further, to 4.4%. The index was propelled upward by rises in stock prices and the average workweek in the service sector, which overwhelmed the effects of falls in construction contracts for commercial buildings and profit margins in the service sector.

The coincident index of service sector activity also rose strongly in July, pushing its annualized growth rate to 4.7%. Rises in personal consumption expenditures, labor income and employee hours in services accounted for the rise.

In other words, the indicators foresee continued growth in the service sector in the months ahead.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	147.2r	-1.8	32.84	739	82.3	111.7r
Feb.	149.3r	0.7r	32.98	907	86.0	113.5r
Mar.	148.4r	-0.6	32.69	825	87.5	113.4r
Apr.	149.0r	0.0r	32.93	805	85.3	112.6r
May	148.6r	-0.5	32.78	812	83.0	112.8r
June	149.7r	0.7r	32.82	810	89.2	113.5r
July	150.5r	1.7	33.00	829	88.7	113.1
Aug.	150.2r	1.3	32.76	852	87.9	114.2
Sept.	150.8r	2.1	32.88	796	91.0	113.4
Oct.	151.2r	2.6	32.96	764	94.3	112.5
Nov.	151.2r	2.5	32.77	786	91.7	114.3
Dec.	151.9r	3.0	32.91	782	92.9	113.8
1989:						
Jan.	152.0r	2.7	32.95	839	95.2	111.6
Feb.	151.7r	1.8	32.75	658	98.7	113.0
Mar.	152.9r	3.0	32.81	746	98.5	114.6
Apr.	153.8r	3.7	33.07	707	102.5	113.1
May	154.2r	3.7	32.75r	797	108.0	114.8r
June	154.5r	3.5	32.76r	822	111.6	113.8r
July	155.7	4.4	33.09	764	116.5	112.5

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	181.0r	4.5r	1844.4	1263.5	667.3	106.6
Feb.	181.6r	4.5r	1854.1	1264.7	666.2	107.6
Mar.	181.5r	3.8r	1856.9	1269.5	664.6	107.0
Apr.	182.2r	4.0r	1859.7	1269.1	668.5	108.1
May	182.1r	3.3r	1862.5	1270.8	667.0	107.8
June	182.8r	3.5	1868.6	1278.6	667.0	108.5
July	184.0r	4.2r	1874.7	1283.9	672.2	109.7
Aug.	183.7r	3.2	1880.8	1291.4	667.4	108.9
Sept.	184.2r	3.2	1886.1	1285.6	674.2	109.2
Oct.	185.6r	4.1	1891.4	1297.5	680.3	110.3
Nov.	184.9r	2.8	1896.7	1292.6	672.6	110.0
Dec.	185.8r	3.2r	1899.5	1295.5	678.5	110.8
1989:						
Jan.	187.2r	4.0	1902.3	1297.1	693.2	111.5
Feb.	187.0r	3.2	1905.1	1311.7	683.7	111.2
Mar.	186.8r	2.6	1910.3r	1311.2	679.9	111.2
Apr.	188.4r	3.7r	1915.5r	1316.7r	690.5	112.5
May	187.7r	2.5r	1920.7r	1322.3r	681.4r	111.5
June	188.8r	3.1r	---	1322.1r	691.1r	112.1r
July	190.9	4.7	---	1324.2	703.9	113.5

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
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12. Bureau of Labor Statistics, all employees.

SERVICE SECTOR INDICATORS

C I B C R

Center for International Business Cycle Research
Uris Hall, Columbia University, New York, New York 10027 (212) 280-2916

Dr. Geoffrey H. Moore, Director

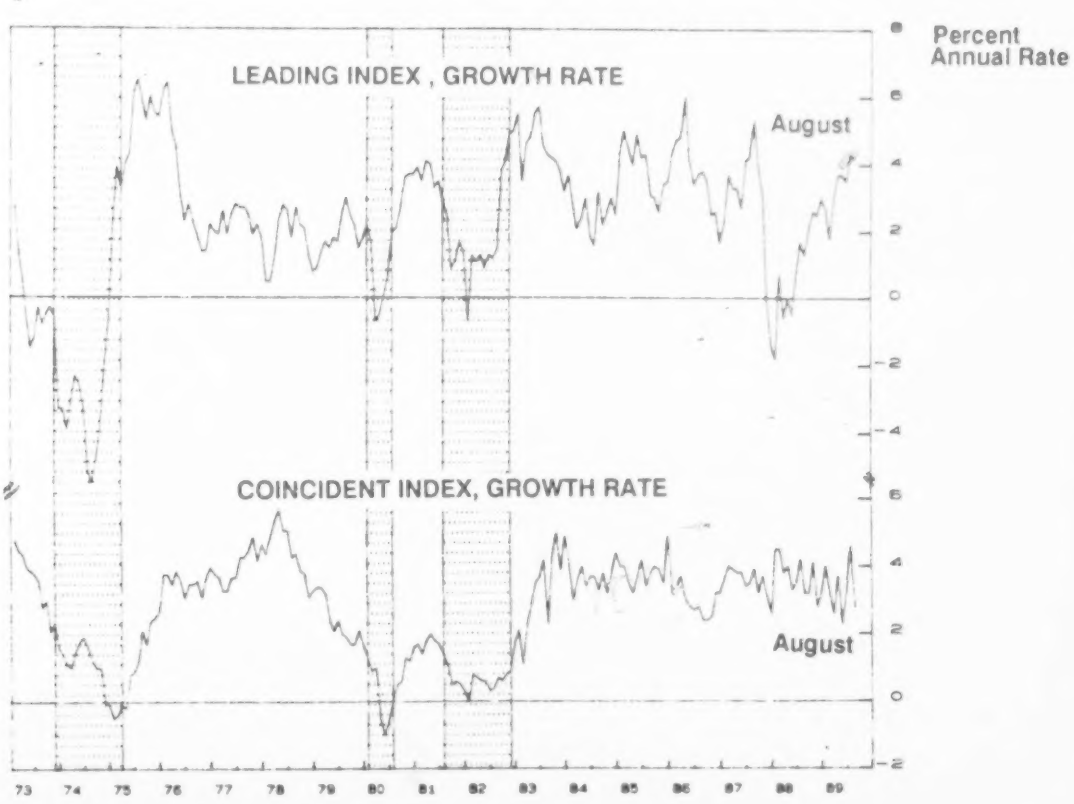
September 1989

SERVICES GROWTH MODERATES

The leading index of service sector activity rose marginally in August, but at a slightly lower annualized growth rate of 4.2%. The index was pushed up by rises in stock prices and profit margins in the service sector, but this was largely offset by declines in construction contracts for commercial buildings and the average workweek in services.

The coincident index of service sector activity fell in August, and its annualized growth rate aiso declined to 2.8%, without falling below the narrow band it has stayed in during the past six years. It was pulled down by drops in employee hours and labor income in services, offset in part by a rise in personal consumption expenditures in the service sector.

Despite scattered weakness, therefore, the outlook for moderate growth in services activity continues to stand.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	147.2	-1.8	32.84	739	82.3	111.7r
Feb.	149.3	0.7	32.98	907	86.0	113.5r
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Apr.	149.0	0.0	32.93	805	85.3	112.6r
May	148.6	-0.5	32.78	812	83.0	112.8r
June	149.7	0.7	32.82	810	89.2	113.5r
July	150.5	1.7	33.00	829	88.7	113.1
Aug.	150.2	1.3	32.76	852	87.9	114.2
Sept.	150.8	2.1	32.88	796	91.0	113.4
Oct.	151.2	2.6	32.96	764	94.3	112.5
Nov.	151.2	2.5	32.77	786	91.7	114.3
Dec.	151.9	3.0	32.91	782	92.9	113.8
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Jan.	152.0	2.7	32.95	839	95.2	111.6
Feb.	151.7	1.8	32.75	658	98.7	113.0
Mar.	152.9	3.0	32.81	746	98.5	114.6
Apr.	153.8	3.7	33.07	707	102.5	113.1
May	154.2	3.7	32.75	797	108.0	114.8
June	154.5	3.5	32.76	822	111.6	113.6r
July	155.6r	4.3r	33.03r	764	116.5	112.6r
Aug.	155.9	4.2	32.79	742	121.9	114.7

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
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Feb.	181.6	4.5	1854.1	1264.7	666.2	107.6
Mar.	181.5	3.8	1856.9	1269.5	664.6	107.0
Apr.	182.2	4.0	1859.7	1269.1	668.5	108.1
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June	182.8	3.5	1868.6	1278.6	667.0	108.5
July	184.0	4.2	1874.7	1283.9	672.2	109.7
Aug.	183.7	3.2	1880.8	1291.4	667.4	108.9
Sept.	184.2	3.2	1886.1	1285.6	674.2	109.2
Oct.	185.6	4.1	1891.4	1297.5	680.3	110.3
Nov.	184.9	2.8	1896.7	1292.6	672.6	110.0
Dec.	185.8	3.2	1899.5	1295.5	678.5	110.8
1989:						
Jan.	187.2	4.0	1902.3	1297.1	693.2	111.5
Feb.	187.0	3.2	1905.1	1311.7	683.7	111.2
Mar.	186.8	2.6	1910.0r	1311 2	679.9	111.2
Apr.	188.4	3.7	1915.0r	1315.7r	690.5	112.5
May	187.5r	2.3r	1919.9r	1318.4r	681.4	111.5
June	189.0r	3.3r	---	1322.9r	691.8r	112.2r
July	190.8r	4.6r	---	1326.6r	702.2r	113.3r
Aug.	189.6	2.8	---	1331.3	692.5	112.5

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
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